ATTACHMENT 1

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MEMORANDUM

Western newsmen have acquired a document, reportedly leaked to them by ''high-level'' officials in Moscow, that purports to be the reform manifesto of a ''Movement for Socialist Renewal'' within the USSR. The document portrays the USSR as a country in a state of social, economic and political crisis that can be surmounted only by revolutionary change. The document does not portend to be anti-Soviet or anti-socialist; it claims to be a patriotic plea for reforms to strengthen rather than undermine the system. It sets forth a radical program for:

- --Full freedom of assembly, speech, and religion.
- --Political competition between the Communist Party and ''alternative political organizations.''
- --Defacto return to the New Economic Policy of the 1920s, which involved marketization of much of the economy, with the party retaining absolute control only over major industry and transport.

Some of the reforms proposed represent a very extreme extension of proposals made by Gorbachev or advocated in Soviet media articles recently. In particular, some of the specific economic and social proposals are in line with Gorbachevs initiatives-to improve living conditions, to shore up the family and combat alcoholism as means of strengthening the social fabric, to expand the opportunities for private initiative in agriculture and consumer services, to change the incentive structure as a means of stimulating economic performance, to decentralize economic management as a means of increasing efficiency and encouraging innovation. There has also been public discussion recently of the possibility of reforming the election process by having secret ballots, and there has reportedly been private discussion within Soviet officialdom of having multicandidate elections. The manifesto also echoes Gorbachev's call for a more activist media role in publicizing and combatting social ills and political abuses such as corruption.

Nevertheless, there are compelling reasons for believing the document did not originate at a high level within the regime.

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- -- The proclamation of full-blown civil liberties and the establishment of a pluralistic political system would be tantamount to a dismantling of Communist Party rule.
- --Even if any group of officials privately advocated such a program, they would realize that exposure of a role in publicizing it would have disastrous consequences for them personally.
- -- The statistics cited in the document are available in Soviet economic publications. The document consequently contains no evidence that its writers had access to data not in the public domain.

More than likely, the document was drafted by sophisticated intellectuals or academics concerned about the country's problems and about what they see as the inadequacy of Gorbachev's program for redressing them. These individuals could either be politically knowledgable dissidents or people on the fringes of officialdom-perhaps employees of research institutes that know something about but do not participate in elite policy discussions.

What may be happening is that Gorbachev's advocacy of public discussion of ways to revitalize the economy and the society is encouraging an intellectual ferment that cannot be contained within the bounds he has set for permissible debate. By tolerating of greater ''openness'' in the media and in official deliberations, Gorbachev is running the major risk of stirring up criticism ''from below'' that could get out of hand.

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